

14 December 2017

Four Seasons Health Care and H/2 Capital Partners agree to debt standstill

- Agreement provides stability for the business and reassurance for residents
- Day-to-day operations continue unaffected
- Parties to work together to present restructuring plan to Four Seasons creditors

Four Seasons Health Care (“Four Seasons” or the “Company”) and H/2 Capital Partners (“H/2”) announce that they have executed a standstill agreement in relation to Four Seasons' December interest payments, which the Company shall not make in order to maintain appropriate liquidity for its operations. This standstill ensures continuity of care for Four Seasons' residents, and enhances operational stability for employees and all stakeholders.

Four Seasons, H/2 and their respective advisers will now utilise the standstill period to facilitate an orderly transition and seek agreement on implementation terms for a restructuring on behalf of creditors. The primary objective of a restructuring plan is to create a sustainable, long-term capital structure that best serves residents, patients and employees.

Having agreed the standstill, Four Seasons intends to next week present an interest deferral proposal to all holders of its Senior Secured Notes and Senior Notes. The interest deferral is subject to approval by 90% of both the Senior Secured Notes and the Senior Notes, respectively, and is conducted via a consent solicitation of its creditors by Four Seasons. Investment funds affiliated with H/2 own less than 75% of the Senior Secured Notes and over 75% of the Senior Notes.

Pursuant to terms negotiated among H/2 and Four Seasons, the standstill agreement has been made available on the “Investor” section of the Four Seasons Health Care website (please click the following link to view the document: <https://www.fshc.co.uk/investors>). Among its other key provisions, the standstill includes several required milestones to be met on or before specific dates during the restructuring process. These milestones include long-stop dates for agreement on a restructuring plan by 7 February 2018 and approval of the restructuring by 2 April 2018. Should it be agreed, Four Seasons would then present the restructuring plan to all holders of Senior Secured Notes and Senior Notes. The parties currently expect that the restructuring plan would be subject to approval by 75% of both the Senior Secured Notes and the Senior Notes, respectively.

Robbie Barr, Chairman of Four Seasons, commented “*We are very pleased to have reached a standstill agreement with H/2; the Board and I look forward to working closely with H/2 and their advisers on delivering a restructuring that will provide the right capital structure for the Company's long-term needs. The standstill gives a period of stability for the Company and its stakeholders but most importantly for our residents, patients, their families and our employees.*”

Spencer Haber, Chairman of H/2 Capital Partners, commented “*We are pleased to have agreed the standstill which will help ensure continuity of care and stability for the residents and employees of Four Seasons. The standstill is the first step toward a successful restructuring to secure the long-term future of this vitally important care provider.*”

Contacts: Four Seasons Health Care

Media Enquiries - Maitland

Neil Bennett

Mobile: +44 (0)7900 000777

Direct dial: +44 (0) 20 7395 0430

Email: nbennett@maitland.co.uk

James Devas

Mobile: +44 (0)7884 001 949

Direct dial: +44 (0) 20 7395 0469

Email: jdevas@maitland.co.uk

Contacts: H/2 Capital Partners

Media Enquiries - Camarco

Jennifer Renwick

Mobile: +44 (0)7928 471 013

Direct dial: +44 (0)20 3757 4994

Ed Gascoigne-Pees

Mobile: +44 (0)7884 001 949

Direct dial: +44 (0)20 3757 4984

Email: h2capital@camarco.co.uk

H/2 Capital Partners

Ashvin B. Rao

Dial: +1 203 569 4000

Email: MediaManager@h2cp.com